# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

STARRED QUESTION NO:289
ANSWERED ON:16.03.2001
UNUTILISED FOREIGN AID
SADASHIVRAO DADOBA MANDLIK

**Will the Minister of FINANCE be pleased to state:**

(a) whether a large amount of foreign assistance is lying unutilised as on date;

(b) if so, the details thereof and the reasons therefor, State-wise and institution-wise; and

(c) the steps taken by the Government to ensure proper and speedy utilisation of foreign assistance ?

## Answer

MINISTER OF FINANCE (SHRI YASHWANT SINHA)

(a) & (b) Foreign aid is largely project tied and therefore, utilisation of the sanctioned aid for any project is spread over the project implementation period. As a result, there would be some unutilised aid at any point of time, reflecting aid in pipeline, which will be used as project implementation takes place.

The State-wise and source-wise details are at Annexure I and II.

The pace of utilisation of foreign aid is sometimes affected due to inadequate provisioning of funds by the implementing agency, procurement and contracting delays, delays in land acquisition and other project specific issues.

(c) Some of the steps taken by the Government to improve aid utilization are ensuring adequate provisioning for externally aided projects in the budgets of State and Central Govt., streamlining of procurement procedures, disintermediation of flow of external aid to Central Public Sector Undertakings, quarterly review with Executing Agencies, setting up of a Project Management Unit in the Department of Economic Affairs, strengthening of Project Management Units/Project Monitoring Cells, appointment of Nodal Officers for the States and regular review of projects with respect to quality at entry. A system of monitoring the projects on the basis of quarterly milestones of achievement of important activities is also being followed.

ANNEXURE I
`STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QN. NO. 289 FOR 16.2.2001` STATEWISE UNUTILIZE BALANCES UNDER EXTERNALLY AIDED PROJECTS AS ON 31.01.2001

| S.NO. | STATE | `UNUTILIZED BALANCE (Rs. Cr.)` |
|---|---|---|
| 1 | Andhra Pradesh | 9194.53 |
| 2 | Assam | 301.81 |
| 3 | Bihar | 79.23 |
| 4 | Central | 38960.74 |
| 5 | Gujarat | 3725.16 |
| 6 | Haryana | 1078.94 |
| 7 | Himachal Pradesh | 42.92 |
| 8 | Karnataka | 3457.36 |
| 9 | Kerala | 1769.30 |
| 10 | Madhya Pradesh | 1493.09 |
| 11 | Maharashtra | 1292.88 |
| 12 | Manipur | 147.69 |
| 13 | Meghalaya | 61.64 |
| 14 | Multistate | 2327.48 |
| 15 | Orissa | 2484.93 |
| 16 | Punjab | 140.38 |
| 17 | Pondicherry | 28.68 |
| 18 | Rajasthan | 2032.05 |
| 19 | Tamil Nadu | 2023.12 |
| 20 | Uttar Pradesh | 5996.38 |
| 21 | West Bengal | 2875.56 |
| | TOTAL | 79513.87 |